



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

FOR ADDITIONAL INFORMATION

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Commissioners to Secure Low Bond Rate for Courthouse Project

March 1, 2018 – Chambersburg, PA – On Thursday morning, the Franklin County Board of Commissioners discussed a funding plan for the Court Facility Improvement Project, concluding that the County will minimize the risk of incurring much higher interest rates by borrowing funds now. A motion was made to authorize staff to issue a bond for \$55M of net proceeds to enable a deposit into the Court Facility Improvement Project construction account. The motion was unanimously approved.

The project was proposed to the Board and public in early January to address long-standing concerns with security, public safety, co-location, and the efficiency of current buildings. The project proposal included a 1.5 millage rate increase—approximately \$29.00¹ per year for the average Franklin County homeowner—to cover the total project cost of \$67M. The proposal was approved last month, due in part to the financial benefit of locking in current low interest rates.

County administration consulted with financial advisors to determine the most fiscally prudent course of action. “By issuing the bond now, we’ll minimize the risk of rising interest rates,” said Commissioner Chairman, Dave Keller. According to John Frey, Director at PFM Financial Advisors LLC, municipal bond rates have increased half of a percent since December and are expected to rise further over the next 12 months. Frey added that the County’s bond is likely to attract several buyers at a favorable rate because of the County’s strong financial position.

Considering the current economic climate and the 2018 forecast of multiple interest rate increases by the Federal Reserve, the Franklin County Board of Commissioners feels that the most cost effective measure is to move forward with a proposed bond issue. Commissioner Bob Ziobrowski stated, “We are taking a cautious and prudent approach and fully approve it.” Securing this amount now allows the County to lock in current low interest rates. This action will serve as the first phase of the project financing plan. The remainder of the funding will be secured once contractor bids are received.

Commissioner Bob Thomas commented on the action by saying, “It’s not an easy thing to do this. But, it is the right thing to do.”

In an effort to keep the public informed, a project webpage has been established on the County’s website and updates will be shared through social media. For more information on the Court Facility Improvement Project, please visit www.franklincountypa.gov or email facilityprojectinfo@franklincountypa.gov.

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¹ Based on a home value of \$150,000.